

State of Arizona  
Senate  
Forty-eighth Legislature  
First Regular Session  
2007

# SENATE BILL 1445

## AN ACT

AMENDING SECTIONS 13-4202, 41-2752, 41-2804, 41-2822 AND 41-2826, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 26, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 41-2827 AND 41-2828; RELATING TO THE DEPARTMENT OF JUVENILE CORRECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 13-4202, Arizona Revised Statutes, is amended to  
3 read:

4 13-4202. Void contracts: crime victim accounts: establishment:  
5 notice to victims: exceptions: civil liability:  
6 definition

7 A. Every contract, whether written or oral, express or implied, with  
8 an accused with respect to the reenactment, description or depiction of a  
9 crime by movie, book, article, radio or television presentation, internet or  
10 on-line presentation or depiction, live entertainment or expression of  
11 thoughts, feelings, opinions or emotions is contrary to public policy and  
12 void unless the contract provides for payment to the commission of any monies  
13 ~~which~~ THAT would be paid to the accused for such information or rights.

14 B. The commission shall deposit the monies received pursuant to  
15 subsection A from the contracts or agreements of each accused, for each crime  
16 committed by the accused, in a separate account designated as a crime victim  
17 account. The money shall be distributed as determined by the commission to  
18 any victim of the crime committed by the accused if both of the following  
19 apply:

20 1. The accused is convicted of OR ADJUDICATED DELINQUENT FOR the  
21 crime.

22 2. The victim, within five years after the date of establishment of  
23 the account, applies to the commission for compensation and demonstrates by  
24 sufficient reliable evidence, as determined by the commission, that the  
25 victim has suffered a loss resulting from such crime and the amount of such  
26 loss.

27 C. The commission, at least once every year for five years from the  
28 date of receipt of monies pursuant to subsection B, shall publish a legal  
29 notice in a newspaper of general circulation in the county ~~wherein~~ IN WHICH  
30 the crime was committed and in counties contiguous to such county advising  
31 all victims for which monies have been received that funds are available to  
32 satisfy money judgments pursuant to this section. ~~Such~~ THE notice shall  
33 identify the accused, describe the criminal act involved and the proceedings  
34 against the accused and state the procedure to be followed for recovery of  
35 monies pursuant to subsection B. No reference to the identity of the victim  
36 shall be made. The commission ~~may~~, in its discretion, MAY provide for such  
37 additional notice as it deems necessary.

38 D. ~~Upon~~ ON disposition of charges favorable to an accused, the  
39 commission shall immediately pay any monies in the account owing to such  
40 person.

41 E. After five years have elapsed following the establishment of the  
42 account pursuant to subsection B and ~~upon~~ ON a showing that no applications  
43 for compensation are pending pursuant to this section, the commission shall  
44 immediately pay any monies in the account to the state general fund.

1 F. For THE purposes of this section, a person WHO IS found guilty  
2 except insane pursuant to rule 23.2, Arizona rules of criminal procedure,  
3 ~~shall be~~ IS deemed to be a convicted person.

4 G. ~~Whenever~~ IF it is found, pursuant to rule 11, Arizona rules of  
5 criminal procedure, that a person WHO IS accused of a crime is unfit to  
6 proceed as a result of A mental illness or defect because ~~such~~ THE person  
7 lacks THE capacity to understand the proceedings against the person or to  
8 assist in the person's own defense, the commission shall bring an action of  
9 interpleader pursuant to rule 22, Arizona rules of civil procedure, to  
10 determine disposition of the escrow account.

11 H. Notwithstanding any ~~inconsistent provision of law or of the rules~~  
12 ~~of civil procedure with respect to the timely bringing of an action~~ TO THE  
13 CONTRARY, the five-year period provided for in subsection B ~~shall~~ DOES not  
14 begin to run until an account ~~has been~~ IS established.

15 I. Notwithstanding subsections B through F the commission shall make  
16 payments from the account to any accused ~~upon~~ ON the order of a court of  
17 competent jurisdiction after a showing by the accused that the money will be  
18 used for the sole purpose of retaining legal representation at any stage of  
19 THE proceedings against ~~such~~ THE accused.

20 J. An action taken by any person, whether by execution of a power of  
21 attorney, creation of a corporate entity or otherwise, to defeat the purpose  
22 of this section shall be null and void as against the public policy of this  
23 state.

24 K. The cost of administering the account and ~~the monies therein~~ IN THE  
25 ACCOUNT shall be reimbursed to the industrial commission from the account.

26 L. Any person ~~entering~~ WHO ENTERS into a contract described in  
27 subsection A ~~which~~ THAT does not comply with this section shall be liable to  
28 the state for deposit in the crime victim account of an amount equal to all  
29 monies paid or received including monies paid to or received by another  
30 person by execution of a power of attorney, creation of a corporate entity or  
31 otherwise, WHICH EXECUTION WAS done to defeat the purposes of this section.

32 M. For THE purposes of this section, "loss" includes the value of any  
33 property damaged, destroyed or taken, the cost of medical treatment or  
34 counseling, lost wages and any other damage suffered as a result of the  
35 crime.

36 Sec. 2. Section 41-2752, Arizona Revised Statutes, is amended to read:

37 41-2752. State competition with private enterprise prohibited;  
38 exceptions

39 A. A state agency shall not engage in the manufacturing, processing,  
40 sale, offering for sale, rental, leasing, delivery, dispensing, distributing  
41 or advertising of goods or services to the public that are also offered by  
42 private enterprise unless specifically authorized by law other than  
43 administrative law and executive orders.

44 B. A state agency shall not offer or provide goods or services to the  
45 public for or through another state agency or a local agency, including by

1 intergovernmental or interagency agreement, in violation of this section or  
2 section 41-2753.

3 C. The restrictions on activities that compete with private enterprise  
4 contained in this section do not apply to:

5 1. The development, operation and management of state parks,  
6 historical monuments and hiking or equestrian trails.

7 2. Correctional industries established and operated by the state  
8 department of corrections ~~providing~~ IF the prices charged for products sold  
9 by the correctional industries are not less than the actual cost of producing  
10 and marketing the product plus a reasonable allowance for overhead and  
11 administrative costs.

12 3. The Arizona office of tourism.

13 4. The Arizona highways magazine, operated by the department of  
14 transportation.

15 5. Printing and distributing information to the public if the agency  
16 is otherwise authorized to do so, and printing or copying public records or  
17 other material relating to the public agency's public business and recovering  
18 through fees and charges the costs of such printing, copying and ~~distribution~~  
19 ~~DISTRIBUTING~~.

20 6. The department of public safety.

21 7. The construction, maintenance and operation of state transportation  
22 facilities.

23 8. The development, distribution, maintenance, support, licensing,  
24 leasing or sale of computer software by the department of transportation.

25 9. Agreements executed by the Arizona health care cost containment  
26 system administration with other states to design, develop, install and  
27 operate information technology systems and related services or other  
28 administrative services pursuant to section 36-2925.

29 10. Agreements executed by the department of economic security with  
30 other states to design, develop, install and operate support collection  
31 technology systems and related services. The department shall deposit,  
32 pursuant to sections 35-146 and 35-147, monies received pursuant to this  
33 paragraph in the public assistance collections fund established by section  
34 46-295.

35 11. ~~EDUCATIONAL, VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAMS OF~~  
36 ~~THE DEPARTMENT OF JUVENILE CORRECTIONS AND~~ contracts between the department  
37 of juvenile corrections and this state, a political subdivision of this state  
38 or a private entity in order to provide employment or vocational educational  
39 experience.

40 12. The aflatoxin control technologies of the cotton research and  
41 protection council.

42 13. The lease or sublease of lands or buildings by the department of  
43 economic security pursuant to section 41-1958.

1 D. The restrictions on activities that compete with private enterprise  
2 contained in subsection A of this section do not apply to community colleges  
3 and universities under the jurisdiction of a governing board.

4 Sec. 3. Section 41-2804, Arizona Revised Statutes, is amended to read:  
5 41-2804. Duties and powers of director

6 A. The director shall:

7 1. Be responsible for the overall operations and policies of the  
8 department.

9 2. Maintain and administer all secure care facilities and programs  
10 within the department required and established for the custody, control,  
11 treatment, education and rehabilitation of all ~~youth~~ YOUTHS committed to the  
12 department.

13 3. Be responsible for the administration and execution of all  
14 conditional liberty services for ~~youth~~ YOUTHS released pursuant to rules  
15 adopted by the director in accordance with law.

16 4. Be responsible for the development of policies and programs which  
17 shall be recommended to the governor and the legislature for the purpose of  
18 improving the youth rehabilitative and treatment programs of this state.

19 5. Develop and establish a uniform statewide method of reporting  
20 statistics as related to this chapter.

21 6. Employ deputy directors and other key personnel based on  
22 qualifications prescribed by the director which require education and  
23 practical experience.

24 B. The director may:

25 1. Adopt rules to implement the purposes of the department and the  
26 duties and powers of the director.

27 2. Take any administrative action to improve the efficiency of the  
28 department, including the following:

29 (a) Create new divisions or units or consolidate divisions or units.

30 (b) Transfer employees between the various divisions and units of the  
31 department.

32 (c) Shift duties between divisions or units.

33 (d) Delegate authority to appoint, hire, terminate and discipline all  
34 personnel of the department, including specialists and consultants.

35 (e) Transfer committed ~~youth~~ YOUTHS between secure care facilities.

36 (f) Transfer ~~youth~~ YOUTHS who have been committed to the department or  
37 to any facility under its jurisdiction between the various secure care  
38 facilities for youths, foster homes and public and private agencies on  
39 notification to the committing court.

40 (g) Appoint certain employees of the department to peace officer  
41 status for purposes of guarding, transporting or pursuing persons under the  
42 jurisdiction of the department and appoint certain employees of the  
43 department to peace officer status for purposes of investigating or arresting  
44 persons who commit or attempt to commit offenses directly relating to the  
45 operations of the department.

1           3. Contract with other agencies or institutions in furtherance of any  
2 department program.

3           4. ADOPT GUIDELINES TO DISPOSE OF PROPERTY THAT IS NO LONGER NEEDED OR  
4 NECESSARY FOR USE IN A DEPARTMENT EDUCATIONAL, VOCATIONAL, TREATMENT,  
5 TRAINING OR WORK PROGRAM. THE DISPOSITION OF PROPERTY IS EXEMPT FROM CHAPTER  
6 23, ARTICLE 8 OF THIS TITLE. ANY MONIES DERIVED FROM THE DISPOSITION OF THE  
7 PROPERTY SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE  
8 DEPARTMENT OF JUVENILE CORRECTIONS CAREER TECHNICAL EDUCATION FUND  
9 ESTABLISHED BY SECTION 41-2828.

10          5. ACCEPT AND SPEND PRIVATE GRANTS OF MONIES TO EFFECTUATE THE  
11 PURPOSES OF SECTION 41-2827. MONIES COLLECTED PURSUANT TO THIS PARAGRAPH  
12 SHALL BE DEPOSITED AND ADMINISTERED PURSUANT TO SECTION 41-2828.

13          C. Peace officers of the department shall not preempt the authority  
14 and jurisdiction of established agencies of this state and political  
15 subdivisions of this state. Such officers shall notify agencies of this  
16 state and political subdivisions of this state before conducting an  
17 investigation within the jurisdiction of the agency and before making an  
18 arrest within the jurisdiction of the agency and shall ask, except in an  
19 emergency, if the agency wishes to participate, perform the investigation or  
20 arrest the person to be arrested before proceeding. Personnel appointed as  
21 peace officers by the director shall have the minimum qualifications  
22 established for peace officers pursuant to section 41-1822. Personnel  
23 appointed by the director pursuant to subsection B, paragraph 2, subdivision  
24 (g) of this section are not eligible to participate in funding provided by  
25 the peace officers' training fund established by section 41-1825 or in the  
26 public safety personnel retirement system except as otherwise provided in  
27 title 38, chapter 5, article 4.

28          Sec. 4. Section 41-2822, Arizona Revised Statutes, is amended to read:  
29 41-2822. Committed youth work program

30          A. The director shall establish a committed youth work program for  
31 ~~youth~~ YOUTHS in secure care facilities and on conditional liberty to ensure  
32 that:

33           1. All committed ~~youth~~ YOUTHS in a secure care facility receive work  
34 assignments commensurate and compatible with the condition and limitations of  
35 the youth's physical and mental health.

36           2. Committed ~~youth~~ YOUTHS on conditional liberty, as a condition of  
37 liberty, may receive work assignments. All work assignments shall be  
38 commensurate and compatible with the condition and limitations of the youth's  
39 physical and mental health.

40           3. No committed youth in a secure care facility or on conditional  
41 liberty participates in a work assignment that threatens the safety and  
42 security of the public, a secure care facility or the committed youth.

43          B. A committed youth may be exempted from the work requirement if the  
44 staff determines that the exemption is necessary for the health, safety or  
45 treatment of the youth. The director or the director's authorized designee

1 shall review and approve each exemption of a committed youth from engaging in  
2 the work requirements of this section.

3 C. Notwithstanding title 23, chapter 2, article 3 relating to youth  
4 employment, each youth who is under commitment to the department, who is  
5 confined in a secure care facility under the department's jurisdiction and  
6 who is not regularly attending and making satisfactory progress in  
7 educational classes shall engage in work for at least forty hours a week  
8 unless exempted pursuant to subsection B of this section.

9 D. Each committed youth who is engaged in productive work while under  
10 the jurisdiction of the department may receive such compensation for the  
11 youth's work as the director ~~shall determine~~ DETERMINES. The compensation  
12 shall be in accordance with a graduated schedule based on quality and  
13 quantity of work performed and skill required for its performance.

14 E. The compensation of committed youth YOUTHS shall be paid directly  
15 by an outside entity or out of monies received pursuant to section 8-243 or  
16 monies appropriated by the legislature OR BY THE DEPARTMENT WITH MONIES FROM  
17 THE DEPARTMENT OF JUVENILE CORRECTIONS RESTITUTION FUND ESTABLISHED BY  
18 SECTION 41-2826.

19 F. A minimum of two-thirds of any compensation earned pursuant to this  
20 section by a committed youth in a secure care facility shall be paid to the  
21 clerk of the superior court to satisfy any juvenile court restitution order  
22 made pursuant to section 8-344. While a youth is on conditional liberty the  
23 department shall determine the amount of wages to be credited to restitution.

24 G. If a committed youth in a secure care facility is not subject to a  
25 restitution order but is subject to a monetary assessment by the court  
26 pursuant to section 8-341, subsection G or H, a minimum of two-thirds of any  
27 compensation earned shall be paid to the clerk of the superior court to  
28 satisfy the monetary assessment. While a youth is on conditional liberty the  
29 department shall determine the amount of wages to be credited to a monetary  
30 assessment.

31 H. If a committed youth in a secure care facility is not subject to a  
32 restitution order or a monetary assessment, two-thirds of any compensation  
33 earned pursuant to this section shall be used to defer the costs of room and  
34 board for maintaining the committed youth at the secure care facility.

35 I. The department shall require the payment of court ordered  
36 restitution, monetary reimbursements or assessments as a term of conditional  
37 liberty.

38 J. With the approval of the juvenile court and the victim, community  
39 restitution hours may be substituted for monetary restitution or monetary  
40 assessments at a rate deemed reasonable by the department.

41 K. The department may enter into contracts with this state, any  
42 political subdivision of this state or private entities in order to provide  
43 employment or vocational educational experience. Any revenues the department  
44 receives from the contracts shall be deposited, pursuant to sections 35-146  
45 and 35-147, in the department of juvenile corrections ~~restitution fund~~

1 ~~pursuant to section 41-2826~~ CAREER TECHNICAL EDUCATION FUND ESTABLISHED BY  
2 SECTION 41-2828 and shall be used in accordance with the purposes of the  
3 fund.

4 Sec. 5. Section 41-2826, Arizona Revised Statutes, is amended to read:

5 41-2826. Department of juvenile corrections restitution fund:  
6 report

7 A. The department of juvenile corrections restitution fund is  
8 established for the payment of restitution and monetary assessments by youths  
9 who are ordered to pay restitution or monetary assessments and who are  
10 financially unable to pay or who are otherwise unable to be employed to earn  
11 money to pay restitution or monetary assessments and who are working in the  
12 committed youth work program prescribed by section 41-2822 or the community  
13 work program established by section 41-2825. The fund consists of federal,  
14 state and local appropriations, MONIES DISTRIBUTED TO THE FUND PURSUANT TO  
15 SECTION 41-2828 and grants, gifts, devises and donations from any public or  
16 private source. The fund shall be used to pay a youth for the youth's work  
17 in the committed youth work program prescribed by section 41-2822 and to  
18 provide monies for the community work program established by section 41-2825.

19 B. The director may direct the payment of monies from the fund to the  
20 victim or the court for community restitution activities the youth does to  
21 pay restitution or monetary assessments that were ordered by the juvenile  
22 court or that the youth agreed to pay as part of a community work program  
23 administered by the department. If a youth performs community restitution  
24 pursuant to this subsection, the entity providing the work shall supervise  
25 the youth's work. The youth shall be credited for each hour worked at an  
26 hourly rate set by the director.

27 C. As monies are available, the department shall pay from the fund  
28 ~~youth~~ YOUTHS who perform work or community restitution activities for  
29 restitution and monetary assessments purposes.

30 D. The department may expend, for the payment of administrative costs  
31 and expenses, an amount not greater than ten per cent of the fund balance as  
32 of the end of the preceding fiscal year.

33 E. Monies in the fund are continuously appropriated and are exempt  
34 from the provisions of section 35-190 relating to lapsing of appropriations.

35 F. On or before August 15, ~~2002, and~~ OF each year ~~thereafter~~, the  
36 department shall submit a report to the joint legislative budget committee  
37 detailing all revenues received by and expenditures made from the fund during  
38 the most recent fiscal year.

39 Sec. 6. Title 41, chapter 26, article 1, Arizona Revised Statutes, is  
40 amended by adding sections 41-2827 and 41-2828, to read:

41 41-2827. Products produced by committed youths; materials;  
42 disaffirmance; contracts

43 A. PRODUCTS THAT ARE PRODUCED BY COMMITTED YOUTHS PURSUANT TO AN  
44 EDUCATIONAL, VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM ARE THE PROPERTY  
45 OF THE DEPARTMENT AND MAY BE MARKETING TO THE PUBLIC BY THE DEPARTMENT. ALL



1 PROCEEDS FROM THE SALE OF PRODUCTS THAT ARE PRODUCED BY COMMITTED YOUTHS  
2 SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE DEPARTMENT  
3 OF JUVENILE CORRECTIONS CAREER TECHNICAL EDUCATION FUND ESTABLISHED BY  
4 SECTION 41-2828.

5 B. THE DEPARTMENT MAY PURCHASE RAW MATERIALS, COMPONENTS AND SUPPLIES  
6 FOR USE IN THE MANUFACTURE OF PRODUCTS IN A DEPARTMENT EDUCATIONAL,  
7 VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM.

8 C. THE DEPARTMENT SHALL FIX AND DETERMINE THE PRICES AT WHICH ALL  
9 ARTICLES, SERVICES OR PRODUCTS THAT ARE MANUFACTURED OR PRODUCED SHALL BE  
10 FURNISHED OR SOLD. ALL ARTICLES OR PRODUCTS THAT ARE MANUFACTURED OR  
11 PRODUCED OR SERVICES THAT ARE PROVIDED THROUGH DEPARTMENT EDUCATIONAL,  
12 VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAMS SHALL BE PRICED AT NOT LESS  
13 THAN THE ACTUAL COST OF PRODUCING AND MARKETING THE PRODUCT PLUS A REASONABLE  
14 AMOUNT FOR OVERHEAD AND ADMINISTRATIVE COSTS AND A REASONABLE PROFIT TO  
15 PROVIDE FISCAL RESOURCES FOR THE RESEARCH AND DEVELOPMENT OF PROGRAMS FOR  
16 COMMITTED YOUTHS.

17 D. SALES OF PRODUCTS THAT ARE PRODUCED BY COMMITTED YOUTHS PURSUANT TO  
18 A DEPARTMENT EDUCATIONAL, VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM ARE  
19 NOT SUBJECT TO DISAFFIRMANCE BECAUSE OF MINORITY.

20 E. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY CONTRACT WITH ANY STATE  
21 AGENCY, POLITICAL SUBDIVISION OR PRIVATE PERSON, FIRM, CORPORATION OR  
22 ASSOCIATION TO PROVIDE SERVICES OR PRODUCTS PRODUCED BY COMMITTED YOUTHS  
23 PURSUANT TO AN EDUCATIONAL, VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM.

24 F. ALL MONIES DERIVED FROM CONTRACT SERVICES PROVIDED PURSUANT TO  
25 SUBSECTION E OF THIS SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146  
26 AND 35-147, IN THE DEPARTMENT OF JUVENILE CORRECTIONS CAREER TECHNICAL  
27 EDUCATION FUND ESTABLISHED BY SECTION 41-2828.

28 41-2828. Department of juvenile corrections career technical  
29 education fund; definitions

30 A. THE DEPARTMENT OF JUVENILE CORRECTIONS CAREER TECHNICAL EDUCATION  
31 FUND IS ESTABLISHED FOR THE PURPOSE OF PAYING EXPENSES THAT ARE REQUIRED FOR  
32 ANY EDUCATIONAL, VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM ESTABLISHED  
33 BY THE DEPARTMENT, INCLUDING:

34 1. THE PURCHASE OF RAW MATERIALS, COMPONENTS AND SUPPLIES THAT ARE  
35 USED FOR THE PRODUCTION OF FOOD, GOODS AND OTHER ITEMS THAT ARE PRODUCED AND  
36 SOLD.

37 2. THE PURCHASE OR RENTAL OF EQUIPMENT.

38 3. THE CONSTRUCTION OR RECONSTRUCTION OF FACILITIES.

39 4. OPERATING EXPENSES AND IN-STATE TRAVEL.

40 5. THE INSTRUCTION OF COMMITTED YOUTHS IN THE PROGRAM.

41 6. THE MARKETING, TRANSPORTATION AND SALE OF FOOD, GOODS AND OTHER  
42 ITEMS THAT ARE PRODUCED AND SOLD.

43 B. MONIES RECEIVED FOR OR DERIVED FROM ANY DEPARTMENT EDUCATIONAL,  
44 VOCATIONAL, TREATMENT, TRAINING OR WORK PROGRAM, INCLUDING MONIES FROM THE  
45 SALE OF OBSOLETE OR UNNEEDED MATERIAL, SUPPLIES, EQUIPMENT OR PROPERTY, SHALL

1 BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE CAREER TECHNICAL  
2 EDUCATION FUND. THE FUND IS EXEMPT FROM THE PROVISIONS OF SECTION 35-190  
3 RELATING TO LAPSING OF APPROPRIATIONS.

4 C. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND  
5 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED  
6 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

7 D. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND THE DIRECTOR  
8 MAY DEPOSIT MONIES FROM THE FUND IN THE DEPARTMENT OF JUVENILE CORRECTIONS  
9 RESTITUTION FUND ESTABLISHED BY SECTION 41-2826.

10 E. FOR THE PURPOSES OF THIS SECTION:

11 1. "COMPONENTS" MEANS THE PARTS, SUBASSEMBLIES AND PACKAGING MATERIALS  
12 THAT WILL BECOME PART OF A FINAL PRODUCT OR SERVICE.

13 2. "RAW MATERIALS" MEANS THE MATERIALS THAT ARE CONVERTED OR COMBINED  
14 DURING THE MANUFACTURING PROCESS.